

COUNCIL COMMUNICATION

TO: THE CITY COUNCIL

FROM: THE CITY MANAGER'S OFFICE

DATE:

February 17, 1988

NO.

SUBJECT: APPROVE FUNDS FOR AMENDED CONTRACT FOR GENERAL PLAN UPDATE

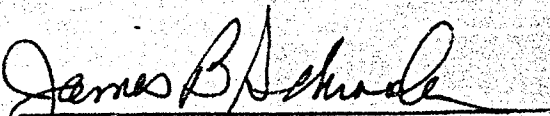
INDICATED ACTION:

Amend the Contract with Jones and Stokes, Associates for the General Plan Update by expanding the scope of work and appropriate \$8,028 from the General Fund Operating Reserve to cover increased cost.

BACKGROUND INFORMATION:

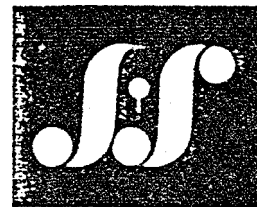
When the City Council engaged the services of Angus McDonald and Associates, and Nolte and Associates for a fiscal impact analysis and a public facilities financing plan, our contract for a General Plan Update with Jones and Stokes Associates was affected by increasing the scope of work in Economic Condition (Market Study) and reducing the fiscal impact work. It appears that this amendment and cost increase is in the City's best interest.

A complete description of the proposed changes is attached.


James B. Schroeder
Community Development Director

Attachments

DL



JONES & STOKES ASSOCIATES, INC. / 1725 - 23rd STREET, SUITE 100 / SACRAMENTO, CA 95816

916/444-5638

FAX 916/444-0308

November 9, 1987

Mr. Jim Schroeder
Community Development Director
City of Lodi
221 West Pine Street
Lodi, CA 95240

Subject: General Plan Update - Economic and Fiscal Studies

Dear Jim:

As we discussed earlier, and based on our meeting regarding Nolte and Associates' proposal to prepare a Public Facilities and Financing Plan (Financing Plan) for the City, we recommend that a detailed market study be conducted to guide the generation of land use projections at the level of detail needed for the Financing Plan. In addition, we feel that an expanded market study will greatly improve our ability to develop realistic planning options for future growth in Lodi.

Angus McDonald & Associates has indicated that they will need annual land use projections (for the General Plan [GP] time frame) for the Existing GP (without Measure A), preferred GP alternative, and the adopted GP. This level of detail was not included in our current scope of work.

Our current scope of work calls for overview, order-of-magnitude findings on economic market factors affecting land use policy. Our current budget for an economic conditions analysis is \$2,564, of which \$1,032 has been spent on the Background Report. The scope of work outlined below considerably expands this effort with the development of detailed absorption schedules by land use that will be helpful in defining and quantifying alternative buildout land use projections; the estimated cost for this study would be \$11,516. Therefore, the additional funds needed to conduct an expanded market study are estimated at \$9,984.

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Our current contract calls for a fiscal impact assessment at a cost of \$5,980, of which \$1,720 has already been spent on the Background Report. The City may choose to have Angus McDonald & Associates complete a fiscal study for the three planning options and preferred GP alternative since this study would tie in directly with the Financing Plan. In this case, Jones & Stokes **Associates** would **use** McDonald's study to prepare an impact assessment for the Options Assessment Report and the Draft EIR as outlined in the scope of **work** below. Our estimated cost to prepare an impact assessment from McDonald's fiscal study is **\$2,304**, leaving a surplus of \$1,956 in our contract for fiscal studies.

Accounting for the \$9,984 needed to complete the expanded market study, our contract would need to be increased by a net \$8,028 to complete both the market and fiscal impact studies, as shown below:

	Total Amount Under Existing Contract	Remaining Funds to Date	Estimated Cost of New Scope of Work	Net Change in Existing Contract
Economic conditions	2,564	1,532	11,516	+9,984
Fiscal	<u>5,980</u>	<u>4,260</u>	<u>2,304</u>	<u>-1,956</u>
Total	8,544	6,222	13,820	+8,028

Expanded Market Study Scope of Work

Jones & Stokes Associates will provide a detailed analysis of market factors affecting the demand for residential, commercial, and industrial land in Lodi over the 20-year planning period. An analysis of land absorption schedules showing development by GP designation in 5-year intervals will be prepared based on constrained and unconstrained growth scenarios. This analysis will include:

- o Estimation of recent residential land absorption rates. Identification of areas within the City of recent residential development for both single-family and multifamily developments. Identification of current residential vacancy rates.
- o Estimation of recent commercial land absorption rates by type (i.e., retail, heavy commercial, office commercial), Identification of areas within the City of recent commercial development by type of development. Identification of current commercial vacancy rates, if available.
- o Estimation of recent industrial land absorption rates by type (i.e., light and heavy industrial). Identification of areas within the City of recent industrial expansion and development by type of development. Identification of current industrial vacancy rates, if available.
- o Assessment of the demand for future residential development based on Lodi's role in the region and independent agency projections of Lodi's population growth potential. Estimates of residential land absorption rates will be prepared based on these findings and assumed residential density factors.
- o Assessment of the market prospects for future commercial development (retail and office) based on the demands generated by projected residential growth, current per capita expenditure rates, projected income growth, Lodi's role within the regional economy, and competition from other commercial areas. The demand for commercial office development will be analyzed by differentiating between local serving and regional users. Estimates will be prepared of commercial land absorption rates based on the above and assumed floor area ratios for various commercial development types.
- o Assessment of the market prospects for future industrial development based on recent development trends within Lodi and the region, projected labor force growth, projected employment growth, Lodi's role within the regional economy, competition from other industrial areas, and an analysis of factors affecting the location decisions of industrial firms. Estimates will be prepared of industrial land absorption rates based on the above and assumed industrial floor ratios.

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- o Discussion of the probable sequence and location of residential, commercial, and industrial development within the study area.
- o Based on 5-year land absorption schedules, development of annualized projections for the preferred GP, to be assessed in the Draft GP and Draft EIR. Our scope of work does not include development of land use projections for the Pre-GP Financing Plan (GP without Measure A) since Nolte & Associates include this effort in their proposal. Our proposal also does not include projections for the adopted GP.

Fiscal. Impacts Scope of Work

- o This task assumes that Angus McDonald & Associates will provide buildout forecasts of operating budget costs by department, and revenues by source for the three planning options and the preferred GP alternative, as well as a written description of methodology and assumptions used to generate forecasts. Jones & Stokes Associates will use the buildout forecasts to calculate the incremental changes in operating budget costs and revenues from FY 1986-87 budget levels for the three planning options and the preferred alternative. Net fiscal impacts will be determined by comparing projected incremental costs and revenues associated with future growth for the three planning options and preferred option.
- o Jones & Stokes Associates will identify service requirements associated with future growth under the three planning options and preferred alternative. Based on these order-of-magnitude projections of service requirements, it is assumed that Nolte & Associates will develop a Capital Improvements Program for the three planning options and the preferred alternative, detailing the required capital improvements by type (i.e., traffic circulation improvements, water supply system improvements, police and fire facilities improvements, etc.) and associated costs of each. Jones & Stokes Associates will use the Capital Improvements Program to compare costs. Costs by type will be compared for the three planning options and preferred alternative.
- o This task assumes that Angus McDonald & Associates will prepare and provide a Financing Plan designed to mitigate the costs projected by Nolte & Associates, including development fee schedules for the three planning

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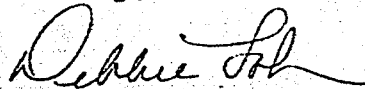
options and the preferred alternatives. Jones & Stokes Associates will summarize the financing options provided by Angus McDonald & Associates and incorporate them into the Options Assessment Report and the Draft EIR.

- o Jones & Stokes Associates will incorporate assumptions, methodology, analysis, findings, and mitigation into an EIR-formatted section, organized by operating budgets and capital improvement programs.

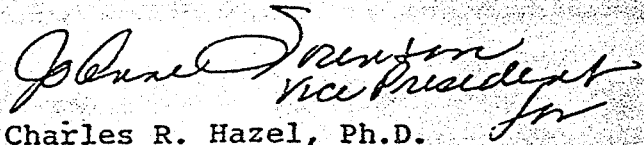
We would like to include the expanded market study in the Final Background Report. We estimate that 4 weeks would be needed to complete this study. Please sign a copy of this letter and return it to us to indicate your concurrence with its terms.

Please call Debbie Loh if you have any questions. Thank you for your consideration of this matter.

Sincerely,



Debra D. Loh
Project Manager



Charles R. Hazel, Ph.D.
President

DDL/db

Concur: _____

Date: _____

CITY COUNCIL

EVELYN M. OLSON, Mayor
JOHN R (Randy) SNIDER
Mayor Pro Tempore
DAVID M. HINCHMAN
JAMES W. PINKERTON, fr.
FRED M. REID

CITY OF LODI

CITY HALL, 221 WEST PINE STREET
CALL BOX 3006
LODI, CALIFORNIA 95241-1910
(209) 334-5634
TELECOPIER (209) 333-6745

THOMAS A. PETERSON
City Manager

ALICE M. REIMCHE
City Clerk

RONALD M. STEIN
City Attorney

February 22, 1988

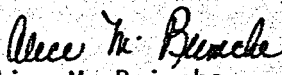
Ms. Debra D. Loh
Project Manager
Jones and Stokes Associations, Inc.
1725 - 23rd Street, Suite 100
Sacramento, CA 95816

Dear Ms. Loh:

Enclosed herewith please find a fully executed copy of the letter agreement amending the contract between the City of Lodi and Jones and Stokes, Associates for the General Plan Update thereby expanding the scope of the work.

This letter agreement was approved by the Lodi City Council at its regular meeting of February 17, 1988.

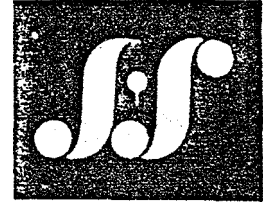
Very truly yours,


Alice M. Reimche
City Clerk

AMR:jj

CC: James B. Schroeder
Community Development Director

Robert Holm
Finance Director



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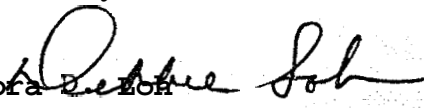
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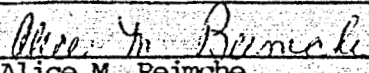

Debra D. Loh
Project Manager


Charles R. Hazel, Ph.D.
President

DDL/db

Attest: 
Thomas A. Peterson
City Manager

Date: February 17, 1988

Attest: 
Alice M. Reimche
City Clerk

Approved as to form: 
Ronald M. Stein
City Attorney